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Federal Laws, Regulations Violated

Authorities Caution Military On Mailing Of Drugs, War Souvenirs

The Bureau of Customs and the Department of Defense have joined in a concerted effort to discourage military personnel from using the mails to send home illicit war souvenirs as well as marijuana and other drugs.

Commissioner of Customs Myles J. Ambrose announced the campaign in Washington, D.C., March 5.

He said, "Secretary of Defense Melvin R. Laird has committed his department" to assist Customs' officials in scrutinizing mail for contraband.

Attending the conference at Customs were members of Congress, including the Chairman of the House Appropriations

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ILLICIT WAR SOUVENIRS—Among those viewing a display of illicit war souvenirs confiscated at postal centers in San Francisco are (l to r) Commissioner of Customs Myles J. Ambrose, Rep. Silvio O. Conte, R-Mass., and Rep. Tom Steed, D-Okla., Chairman of the House Appropriations Subcommittee. These weapons were confiscated in a 48-hour period.

Memorandum Reaffirms Policy Regarding Personnel Reductions

In line with significant manpower reductions planned by the Department of Defense through June 30, 1971, the Assistant Secretary of Defense (Manpower & Reserve Affairs), Roger T. Kelley, issued a memorandum "to reaffirm existing policy concerning the utilization of personnel in connection with these reductions."

The memorandum, "Replacement of Civilian Personnel with Military Personnel or Contract Personnel," noted that reductions totaling 551,000 military personnel or 16 per cent and 131,000 civilian personnel or 10 per cent are to be made from June 30, 1969 on-board strengths.

(See Related Story On Page Eight)

Following is the remaining part of the memorandum:

"It is the policy of the Department of Defense that civilian personnel will be used in positions which do not require military incumbents for reasons of law, training, security, discipline, rotation or combat readiness, and which do not require a military background for successful performance of the duties involved.

"It is also the policy of the Department of Defense that military personnel will not be substituted for civilian personnel being reduced in force. It is recognized that some temporary imbalances in workload may result from the planned reductions. It is also recognized that in these exceptional cases, local commanders may find it necessary, for reasons of operational necessity, to assign temporarily military personnel to positions where the use of civilians would otherwise be indicated. However, as soon as practicable, arrangements should be made for the assignment of military and civilian personnel in accordance with established policies.

"This memorandum does not modify existing guidance on the use of contract services. It is emphasized, however, that the planned reductions are not considered to be justification for the use of contract services."

The memorandum is dated Feb. 27, 1970.

DEFENSE REPORT – Part II

Testimony On Fiscal Year 1971 Program And Budget

The first of a two-part series of Secretary of Defense Melvin R. Laird's Feb. 20 statement to a Joint Session of the Senate Armed Services Committee and the Senate Subcommittee on Department of Defense Appropriations appeared in the March 7 Commanders Digest. This part of the Department of Department of Defense Program and Budget Report included statements on "The Threat To National Security;" "The Challenge At Home;" "Effective Machinery To Meet The Challenges."

Following is the second of the two-part series of Secretary Laird's statement on the Fiscal Year 1971 Defense Program and Budget:

NATIONAL SECURITY STRATEGY

As long as some nations retain their potential for armed aggression or threaten to use it as a means of achieving their international objectives, we must maintain an effective defense force—to deter aggression against ourselves and our allies, if possible, and to overcome it, if necessary.

As the President made clear, in our assessment of the problems of the 1970s, we reaffirmed our conviction that the U. S. cannot withdraw from the world scene. The issue which must be resolved is how the U. S. should proceed to make the most effective use of its resources in conjunction with its partners in a quest for world peace.

The first full year of the Nixon Administration was largely a year of review—review of strategy, of current capabilities, and of major programs for the future. But it was also a year of decision. As a result of the reviews and decisions, the President has established the main directions of our foreign policy and national security strategy for the 1970s.

1. The Nixon Doctrine

The cornerstone of the new strategy is the Nixon Doctrine. It involves a new, more prudent policy towards Asia and permits full recognition of our vital security interests in Europe. It has already brought about a reduction of the American military presence in Asia. This is most notable in South Vietnam, where the upward spiral of our involvement has been reversed.

Henceforth, we will look increasingly to the pursuit of peace through partnership with our allies. This new policy requires that we place more emphasis on furnishing our allies with appropriate military and economic assistance.

The President emphasized that we will provide a shield for any of our allies whose freedom is threatened by a nuclear power; we will provide a shield for any other nation whose survival we judge to be vital to our own security.

Thus we shall remain faithful to our treaty obligations, while at the same time looking to our allies to share more of the overall defense burden in a more fruitful partnership with us.

This is the Nixon Administration's formula of increased self-reliance for the 1970s, first disclosed at Guam last July, proclaimed in the President's November 3, 1969 address to the nation, and comprehensively outlined in his Report on Foreign Policy.

2. Elements of the New Strategy

The new strategy could have a major impact on the strategic forces of the future. How it will do so depends upon many factors, not the least being the outcome of SALT. President Nixon has affirmed that our strategic power will remain sufficient for the future, to protect both our own vital interests and those of our allies threatened by a nuclear power. The United States bears the major costs of providing strategic forces, thus making it possible for our allies to shoulder more of the non-strategic burden.

As to the implications of the new strategy on General Purpose Forces, the President had this to say:

> *"The stated basis of our conventional posture in the 1960's was the so-called '2½ war' principle. According to it, U. S. forces would be maintained for a three-month conventional forward defense of NATO, a defense of Korea or Southeast Asia against a full-scale Chinese attack, and a minor contingency—all simultaneously. These force levels were never reached.*
>
> *"In the effort to harmonize doctrine and capability, we chose what is best described as the '1½ war' strategy. Under it we will maintain in peacetime general purpose forces adequate for simultaneously meeting a major Communist attack in either Europe or Asia, assisting Allies against non-Chinese threats in Asia, and contending with a contingency elsewhere."*

An important objective of the new strategy is smaller, more mobile, and more efficient general purpose forces that will neither cast the United States in the role of world policeman nor force the nation into a new isolationism. As our increased emphasis on partnership continues, reductions in U.S. general purpose forces beyond those resulting from Vietnamization may become possible.

It is important for all of us to understand that the Nixon strategy also will affect our Military Assistance Program (MAP). An important aspect of our continuous efforts to curtail overseas involvements and expenditures is our ability to persuade and help allied and friendly nations to do more than they are now doing in their own defense. We must continue to help provide them the tools they need. Therefore, in the interest of laying a solid foundation for peace while maintaining an adequate U.S. defense posture at minimum cost, we should be ready to increase MAP funds and credit-assisted sales of military equipment abroad.

3. Vietnamization—The First Crucial Step

The problem of Vietnam has occupied more of my attention than any other single concern during the past year—and rightly so. We have tried to shift—and to a large extent I believe that we have succeeded in shifting—the focus of public debate from the question of "Why Vietnam" to "Why Vietnamization." This shift in focus is important because it is prospective rather than retrospective—it focuses on the future and what is to be done rather than on the past and "what might have been."

Vietnamization is the first crucial step in implementing the Nixon Doctrine. The immediate and urgent purpose of Vietnamization, of course, is to end the war so that the men, women, and children of Vietnam can enjoy peace and self-determination. This policy recognizes and meets our obligations to South Vietnam and other allies participating in the defense of that country. At the same time, Vietnamization underscores our expectation and insistence that in the future military defense must and will be a responsibility increasingly shouldered by the Asian nations themselves, as is now the case in Vietnam.

Vietnamization is both a complement and an alternative to the Paris talks. By strengthening the capability of the South Vietnamese to defend themselves rather than depending on American troops, we provide an additional incentive to Hanoi to negotiate. If, on the other hand, the Paris negotiations continue to be stalemated, Vietnamization provides the means for additional American troops to be removed in an orderly manner without sacrificing our single objective—the right of self-determination for the people of Vietnam.

Vietnamization is both a means to an end and a beginning: a means to end the American involvement in Vietnam and to make a creditable beginning on our new policy for peace and increased self-reliance in Asia. This first step in implementing the Nixon Doctrine is of critical importance in ending the war. Moreover, success of the Nixon Doctrine can help remove the need for similar American ground combat involvement in future Asian wars, an important objective of our new strategy.

As you know, General (Earle G.) Wheeler and I just returned from a visit to Vietnam where, among other things, we reviewed the current military situation, the status of both the military and non-military aspects of Vietnamization, the progress in joint planning among the Free World forces, and the prospects for continuing U.S. troop redeployments.

Earlier this week I reported to the President on our trip. That report will form the basis of subsequent reports to this Committee and other Committees of the Congress. However, I would like today to share with this Committee some of the major impressions that I brought back from our recent visit:

(1) The military aspects of Vietnamization are proceeding on schedule or ahead of schedule in all major categories. I can affirm that progress has been such that the redeployment President Nixon announced in December can and will be completed by April 15. This will reduce the authorized troop strength by 115,500, down to 434,000 from the 549,500 ceiling that was in existence prior to Vietnamization.

(2) On the basis of progress which has been made and on the basis of the three criteria specified by the President—

Redeployment of U.S. troops from Vietnam

progress in Vietnamization, progress at Paris and the level of enemy activity—we can anticipate continuing troop redeployments and the return home of additional thousands of U.S. military men during 1970.

(3) We continue to face some formidable problems both on the military and economic fronts but I believe these problems are manageable. I will elaborate on some of these problems in my subsequent reports to Congress.

(4) I am confident of the growing ability of the forces of the Republic of Vietnam to take on ever-increasing combat responsibilities. As this process continues, there is the possibility of some temporary reversals. A candid assessment of the situation would not be complete without recognition of this fact.

MANPOWER

The most effective weapon system our scientists can conceive is of no value unless we have competent engineers and talented managers to design and produce it, skilled workers to build it, and well trained, intelligent men and women to operate and maintain it. No program in the Department of Defense has a higher priority than our efforts to improve the recruitment and retention of able people.

In any large organization, the individual risks becoming a cog in an impersonal machine and the manager too often slips into inflexible bureaucratic routines. We want to avoid these dangers as much as possible in the Department of Defense. Therefore, we have developed a comprehensive Human Goals program.

We recognize that we must give new emphasis to the importance of the individual in national security affairs. The management philosophy that Dave Packard and I follow in operating the Defense Department will be discussed in detail a little later. Our basic concept is "participatory management" throughout the Department. To make this approach work effectively, we must seek out the best civilian and military managers that can be found, make certain that they have authority commensurate with their responsibility, and retain them in their position of responsibility long enough to be

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Collective Security In Asia—*Part III*

By Admiral John S. McCain Jr.
Commander-in-Chief Pacific

(This is the third of a three-part series of an address by Admiral McCain before the Hawaii Chapter of the Association of the United States Army. His topic: "Collective Security In Asia." His address covers the military and foreign affairs situation of the geographic area under his responsibility.)

I will now turn to the situation in Vietnam. Certain of the indications and continuing trends, I believe, are significant as well as encouraging and are worthy of mention.

First and foremost of the impressive factors is the Vietnamization of the war and the growing capabilities of the Vietnamese Armed Forces. The replacement of U.S. forces continues apace with the fast moving improvement of the combat capability of the Republic of Vietnam forces.

In the Mekong Delta, for example, Vietnam Marines and Vietnam Air Force helicopter gunship crews make up a successful, new team-capability that is defeating the enemy. In the III Corps Tactical Zone, the Vietnamese Military Forces have taken over three-fourths of the combat responsibilities.

Throughout the Republic, the Vietnamese soldier is taking over the combat readiness and combat action in this war, and U.S. casualties continue to remain low compared to previous months.

On past occasions we have noted that after a low level of enemy activity, the enemy has had time to rest, refit and prepare his troops for combat. He then repeats his aggressive efforts in attempting to take over the country.

But now this same period of time is proving to the world that the Republic of Vietnam Armed Forces are not letting him rest. They continue to train themselves, accept new combat responsibilities, and set out in their combat actions with a renewed determination to defeat the enemy. The Republic of Vietnam's Air Force continues to seek out the enemy and to preempt him at every opportunity, defeating his forces and destroying his caches before he can launch his next attack.

Simultaneous with this is the turnover of military equipment, and bases for their operational and logistical growth.

Let me at this time touch on just a few significant Vietnamization illustrations:

The Republic of Vietnam's Armed Forces have grown from 274,000 men and women under arms in 1960 to today's 1,090,000. This includes 374,000 Army regulars, 28,000 Navy, 32,000 Air Force, 11,000 Marines, 430,000 territorial force troops, 215,000 paramilitary forces including civilian irregulars and national police.

TOURS MEDICAL BATTALION—Admiral John S. McCain Jr., Commander-in-Chief, Pacific, visited the Marine Corps 1st Medical Battalion, Danang, with Navy Captain James W. Lea during a recent tour of Vietnam. (USMC Photo by Cpl. P. J. LeBrecque)

Since last June, when President Nixon ordered the first American troop withdrawals and made Vietnamization a priority mission, South Vietnamese infantrymen have replaced American troops in three key regions:

—The capital military district, including defense of Saigon.

—The northern Mekong Delta.

—The coastal belt along the South China Sea running from north of Danang to the eastern flank of the Demilitarized Zone.

The Vietnamese Air Force now has 20 squadrons of more than 400 aircraft including jet and propeller-driven bombers, helicopters, AC47 gunships, C47 transports and light single-engine reconnaissance planes. Among its 32,000 airmen are 1,200 pilots.

The U.S. 7th Air Force has transferred to the Vietnamese Air Force nearly 150 troop-carrying helicopters, A37 jet fighter bombers and AC47 twin-engine gunships. Approximately 7,200 of the Republic of Vietnam's military personnel are being trained in the United States this fiscal year. Most are associated with air operations. The number is nearly five times that of two years ago.

Probably the most rapid progress in Vietnamization has been made by the U.S. Naval Forces Vietnam. This is the brown-water navy that patrols the Mekong Delta rice bowl south of Saigon and screens infiltration corridors for enemy troops and equipment leading from Cambodia into the western delta.

The navy turnover program is scheduled for completion by July. In 18 months the U.S. Navy has given the Vietnamese 242 river craft worth $68 million. It has turned over command of two major bases and has helped train more than 6,000 Vietnamese in nine months to meet U.S. Naval standards of operations. No U.S. patrol boats operating in Vietnamese waters today have an entirely American crew.

The added significance to what I have just mentioned is this. It is relatively easy to just turn over equipment and bases indiscriminately, but this is not the case in Vietnam

today. The Vietnamese Armed Forces are capable and well trained to maintain and continue the fight with the equipment and operational facilities they are receiving. In addition, the men in the field, including the Regional Forces and the Popular Forces, are being equipped with the best weapons. Over 96 per cent of the Republic of Vietnam's Armed Forces are using the M-16 rifle, and they are proving they can use it very well.

All indications, at the present time, point to renewed fighting on the enemy's part in the future, as the North Vietnamese continue to attempt to maintain an impression of military strength despite the heavy cost in lives of their men. The enemy's actions demonstrate that his ultimate objective of trying to put North Vietnamese leadership in Vietnam remains unchanged.

Free World defenses against the continuing communist threat throughout East Asia continue to rest on a combination of U.S.-allied bilateral treaties and SEATO. U.S. faithfulness to its treaty commitments has been demonstrated in Vietnam. Last year at Bangkok the SEATO nations solidly reaffirmed their adherence to SEATO as an indispensable instrument of allied mutual security in Southeast Asia.

It would be unrealistic to hope that a Vietnam settlement, when achieved, will end the threat of aggressive communism. Backed by U.S. ground, sea, and air power, our allies must develop and maintain conventional forces to help deter the aggressive ambitions of their communist neighbors. The Soviets and Chinese communists have shown great skill in getting others to do the fighting to expand communism. The choice for us is to assist our allies to fight the common enemy, or we will probably have to do it by ourselves.

Greeting Prime Minister Sato of Japan in Washington on November 19, President Nixon emphasized the importance of security in the Pacific. He said, "As we look to the future of the Pacific we recognize that if peace survives in the last one-third of the century it will depend more on what happens in the Pacific than anywhere else in the globe. Whether we have peace, prosperity and progress in the Pacific depends more than anything else on the cooperation of the United States and Japan—the two strongest and most prosperous countries in the Pacific area."

The United States and Japan have fashioned strong economic, political, and security cooperation as an outstanding example of peaceful progress in the Pacific.

There is another major task ahead for the Free World in Asia and that is the vital role it must assume in nation building activities to give internal strength and security to the more than 300 million free people of the area. Business and industry have a tremendous stake in this venture and a great opportunity, too.

Indonesia is a case in point. Indonesia has come back from the chaos of 1965. The new government of President Suharto has significantly reduced inflation. Her economic expansion has begun and the country is expecting a growth rate that almost any industrialized nation would be happy to achieve. Of course, Indonesia is largely undeveloped, but its mineral riches give it a potential greater than that of many already prosperous nations. Capital is needed for growth and development and Indonesia is carefully courting foreign investments. American and Japanese businessmen are responding to that challenge and need.

Adam Malik, Indonesia's Minister of Foreign Affairs, has reminded businessmen that their investments will bring financial return and political dividends. He said, "The stability of the whole region may very well depend upon the growth and stability of Indonesia. A stable and prosperous Southeast Asia could well preserve the balance of power in East Asia in a way conducive to a stable peace in that part of the world." These words must be important to businessmen, our nation, and allies as we seek a solution to problems that affect other Southeast Asian areas.

For the U.S. to be meaningful and beneficial in today's world; to shoulder the responsibilities and duties that result from the right of a free people; to be able to act; all of these require the active *presence* of the United States.

Presence is a physical and psychological synthesis of the political social, economic, and spiritual components of national strength and national purpose. It is the foundation on which a responsive structure made up of both ideals and realities can be erected.

We need two elements of military "presence." One is to confront the major communist powers with strong, versatile, highly mobile, and constantly ready military forces to discourage any type of aggressive action. This need will be with us for a long time. The other equally important need is the deterrent force we can provide to support the security of the smaller and less powerful nations from further aggression—whether this be overtly military or by subversion and infiltration.

I state this in full realization of the restraints on the use of power in today's world. The U.S. cannot unilaterally wield its military power beyond the political and moral limits which govern our nation. It is my firm belief that these constraints, whether self-imposed by moral consciousness or dictated by political realities, do not invalidate the need for continued U.S. military presence abroad, but, rather, reinforce that need.

The Mediterranean basin and the eastern arc of Asia are the two most critical and dangerous parts of the world. In both of these our military "presence" in fully respected strength is needed. It may well prove to be the determining factor in preventing further bloodshed.

It is the job, the responsibility, and the privilege of the Pacific Command to provide this deterrent influence in the cause of peace over a broad segment of the world geography. It is the firm intention of this command, with the support of the American people, to carry out its mission.

COMMANDERS DIGEST

THIS PUBLICATION CONTAINS OFFICIAL INFORMATION, NEWS AND POLICY, DIRECT FROM WASHINGTON AUTHORIZED SOURCES.

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Testimony On Fiscal Year 1971 Program And Budget

(Continued From Page Three)

productive. We have taken steps in this direction during the past year and we intend to make more changes during 1970.

APPROACH TO THE FY 1971 DEFENSE PROGRAM AND BUDGET

The programs we are proposing for FY 1971 are essentially designed to preserve our own military capabilities and flexibility during the transition period financed by the FY 1971 Defense Budget. We have made no irrevocable decisions on the future composition of our strategic, general purpose, or mobility forces. We know that under any kind of sensible national security programs, we will need major portions of the forces that are already in existence. The precise mix of those forces depends on many uncertain factors; some of them are subject to our control, others are outside our influence. SALT and the Paris Peace Talks are the most obvious factors that contribute to this uncertainty. Other factors include:

(1) The progress of our Vietnamization policy;
(2) The need for detailed consultations with our allies; and
(3) The need to conclude additional wide-ranging studies on such matters as the balance of forces between NATO and the Warsaw Pact.

During the coming year, we will continue to review what adjustments in military strength will be required for ourselves and our allies to make our new strategy effective. Many of these adjustments will be reflected in our five-year Defense program next year.

As I indicated earlier, a number of significant changes are being made in our PPBS procedures and, although we have not found it feasible in this Defense Report to project our proposed forces and programs beyond FY 1971, we have already started the FY 1972-76 PPBS cycle. We confidently expect to be in a position next year to present to the Congress our proposed five-year Defense program.

An important change under the new PPBS (Planning-Programming-Budgeting System) concerns the role of the Joint Chiefs of Staff (JCS) and the Services. We are now providing the JCS and the Services explicit strategy and fiscal guidance, prior to the submission of their final force recommendations for the forthcoming five-year program and annual budget. In the past, they were placed in a position where they had to submit their force recommendations without reference to any explicit fiscal guidance. This, in large part, explains why, in the past, the JCS proposals always cost $20 to $30 billion more than the annual Defense budgets recommended by the Secretary of Defense and approved by the President.

The wide divergency between the JCS recommendations and the annual Defense budget had long troubled me as a member of the Congress. It was perfectly clear to me that the JCS and the Secretary of Defense were proceeding on two entirely different planning assumptions. As a result, the efforts of the JCS in the preparation of their recommendations were largely wasted as far as the final budget submitted to the Congress was concerned. It seemed to me that the work of the JCS had to be more fully integrated into the entire PPB System, particularly in relating our military strategy and force plans to the overall fiscal objectives of the Government. I believe that the new PPB procedures will help accomplish this purpose, since they will enable the JCS and the Services to make timely adjustments in their initial force recommendations in light of our fiscal guidance. The final JCS and Service proposals can then serve as a realistic basis for the preparation of the next five-year Defense program and annual budget.

Pending the full implementation of the new PPB System, which will be completed this year, we have had to adopt some interim arrangements for the development of the FY 1971 Defense program and budget. It became evident by the late summer of last year that major reductions would have to be made in the FY 1970 Budget, and that the conditions which made these reductions necessary would also effect the FY 1971 Budget. Those conditions included:

(1) The determination of President Nixon to reorder our allocation of Federal resources to bring them in line with changing national priorities;
(2) The crucial need to bring inflation under control and the President's dedication to this objective; and
(3) The clear intent of Congress to make major reductions in Defense spending.

Therefore, we modified the FY 1971 segment of the previously-approved five-year Defense program to reflect all adjustments the Department and Congress were expected to make in the FY 1970 Budget. We then estimated the cost of the modified FY 1971 program. The results were provided to the Army, Navy, Air Force, Marine Corps, and the Defense Agencies as fiscal guidance for preparing their FY 1971 Budget requests. In addition, each of the Military Departments was given tentative force objectives for FY 1971. It was understood that the Departments could propose changes in force levels within the fiscal guidance.

The Military Departments and Defense Agencies submitted their program proposals and budget estimates to the Office of the Secretary of Defense in early October 1969, together with their proposed force changes. The budget estimates were reviewed jointly by my staff and the Bureau of the Budget staff, as has been the practice for many years. The force changes were reviewed by the Joint Chiefs of Staff and by elements of my own staff. Mr. Packard and I, in full consultation with all of our principal military and civilian advisors, then reviewed the outstanding issues and made final decisions on our FY 1971 program and budget recommendations.

These recommendations, plus those of the Defense Program Review Committee on major issues involved in the FY 1971 Defense program and budget, were submitted directly to the President. The President, of course, made the final decisions.

The FY 1971 Budget transmitted to the Congress by the President totals $71.3 billion in New Obligational Authority (NOA) and $71.8 billion in outlays, excluding any pay increases that may be enacted by the present session of the Congress. This is $11.9 billion in NOA and $9.8 billion in outlays below that requested by the Johnson Administration last year for FY 1970 (including the pay raise effective July 1, 1969).

It is interesting to note that on a Total Obligational Au-

thority basis, the FY 1971 Defense Budget recommended by the President is only $5.4 billion less than the amount requested by the Military Departments and Defense Agencies under the fiscal guidance I discussed earlier. The Military Services did not make substantially larger requests such as frequently advanced in past years under their prevailing guidance. You may recall that I told some of the Congressional Committees last year that I might well go down in history as the Secretary of Defense who made the smallest reduction in the Service requests, at least in the last decade.

As I pointed out in my first appearance as Secretary of Defense before a Congressional Committee last year, I understand the role of the Congress and its Committees in overseeing the vast enterprise of the Executive Branch, and I will do everything in my power to cooperate with the Committees in the discharge of their responsibilities. Accordingly, throughout the preparation of the FY 1971 program and Budget, we tried to take into account all of the views and judgments expressed by the Congress last year in the FY 1970 Defense Authorization and Appropriations Acts and the related Committee reports.

Many of the more important issues raised by the Congress are discussed in following sections of this report. Others will be discussed by subsequent Defense Department and Service witnesses, or in supporting documents furnished directly to the Committee. These include, for example, the creation of a new position of an Assistant Secretary for Health and Environmental Affairs. Regardless of where these issues may be discussed, I can assure the Committee that the Defense Department will take appropriate action on each of the matters set forth in last year's legislation and the accompanying reports, or be prepared to explain why no action can be taken. I have asked the Service Secretaries and the Directors of Defense Agencies to personally monitor our responses to issues raised by Congress in their respective areas of responsibility. Mr. Packard and I will personally review all important policy matters pertaining to the Defense Department as a whole. Follow-up action has already been started, but because of the late enactment of much of this legislation only preliminary progress reports are as yet available on many of these items.

Earlier Mr. Chairman, I discussed some of the challenges I encountered on transfer to the Defense Department from the Congress. At this point, I would like to mention some concerns I have about the impact of Congressional action on the Defense Department. I feel that, as a former colleague, I can speak to some of the problems we face that are inadvertently compounded by Congressional action. I do so, not in a spirit of criticism but in the hope that in the coming year we can devise better means of bringing proper Congressional demands into closer harmony with the new Department of Defense practices so that together we can most efficiently and effectively discharge our separate responsibilities.

For example, one of the problems we jointly face is to oversee Defense operations and management to ensure that the taxpayer is getting the most use of his Defense dollar. With several different Committees properly taking an increased interest in Defense operations, we face the prospect that additional significant costs will be added to the Defense Budget unless we can devise common means of surveillance. This potential problem stems largely from the fact that requests for detailed information often come in varying formats from several different Congressional Committees directed at multiple sources within the Department. As Secretary of Defense, I have a closer relationship with the General Accounting Office (GAO) than has existed in the past. As a member of Congress, I used the GAO on a frequent basis and, since assuming office we have been working closely with the GAO to set up a new reporting system that I feel could help to meet both our own internal needs for increased oversight and the needs of the various Committees which oversee our activities.

I welcome the increased public interest in national security and defense activities, reflected by the increasing attention these matters now receive from Congress. Public criticism frequently improves efficiency. Some public criticism in certain areas, however, sometimes inhibits progress toward the very goals the critics profess to support.

Let me give one example: The Nixon Doctrine is designed to shift our contribution to the defense of our friends in Asia to greater material rather than manpower support from the United States. These changes must be effected with the understanding of the allies with whom we have these obligations. Yet public demands for United States renunciation of its obligations, or abandonment of them forthwith, make it quite difficult to convince our allies that our change in policy is a move toward further sharing of burdens, and not, in fact, an abandonment of our obligations. Thus, criticism and exposure of the details of particular United States obligations to other nations can sometimes inhibit the very changes we are attempting to make—changes which would more nearly conform to the objectives the critics themselves seek.

I also should mention the effect of the lengthy authorization-appropriations process on Defense operations. I fully appreciate the necessity of careful and thorough consideration of Defense authorization and appropriations requests. But I also feel an obligation to mention the serious concern that I frequently expressed as a member of Congress and that I continue to have about the difficulties created by late appropriations. They severely complicate both Defense management and planning. They also add to our costs. Defense programs stretch over many years. It is extremely difficult to prepare budget requests for January presentation to Congress for the fiscal year to follow when, in the middle of the previous December, we still do not have the current year's budget approved. We have an added complication under the Nixon Doctrine. We are endeavoring to reduce the need for American ground combat support by shifting the emphasis to military assistance programs. In this case we did not even know what Congress would finally approve for the Fiscal Year 1970 military assistance programs at the time we were submitting the Fiscal Year 1971 Defense Budget to Congress.

Unfortunately, "continuing resolutions" are not a substitute for regular appropriations. They impact not only on management and planning, but also on costs. In the early years of a development program, the costs increase markedly from one year to the next, sometimes doubling or tripling. To scale down the program in mid-development to the level of effort of the previous year, as required by continuing resolutions, can disrupt programs and increase total costs. Reprogramming funds later is only a limited remedy because lengthening

(Continued On Next Page)

Military, Civilian Positions Affected By Base Closings, Realignments

Secretary of Defense Melvin R. Laird has approved 371 actions to consolidate, reduce, realign or close installations and activities in the United States, Puerto Rico and overseas.

The actions were recommended by the Secretaries of the Army, Navy and Air Force, and the Directors of Defense Agencies.

When the 371 actions are completed, the annual reduction of Department of Defense expenditures will be more than $914 million. About 93,900 positions—35,300 military and 58,600 civilians—will be affected.

Additional reductions in activities and personnel are anticipated in order to enable DoD to meet budgetary limitations.

Many of the 371 actions are the result of Congressionally approved reductions of more than $4 billion in the budget for Fiscal Year 1970, which ends June 30. Others are necessary because of further cuts in the FY 1971 budgetary plan now pending before the Congress.

Secretary Laird said maximum efforts will be made to assist communities and employes in easing, wherever possible, the impact of the new economy actions.

The 371 actions announced March 4 parallel 307 similar consolidations, reductions, realignments or closures announced last year.

In a related action, Secretary of the Army Stanley R. Resor announced March 6 that a reorganization of the U.S. Army Corps of Engineers will result in a reduction of approximately 900 manpower spaces and an annual savings of $10.8 million.

MILITARY CAUTIONED

(Continued From Page One)

Subcommittee Rep. Tom Steed. Deputy Commissioner of Customs Edwin R. Rains also was present.

Commissioner Ambrose said intensified inspection of mail packages arriving at U.S. ports of entry has resulted in a marked increase in seizure of contraband. He called the flow of illicit war souvenirs "a veritable flood," and warned that "serious consequences" could ensue if the tide was not turned.

The Commissioner said military personnel are not involved in any major trafficking of drugs but almost 25 per cent of the flow of marijuana and hashish comes from military post offices overseas. He said most of the drug-smuggling out of Vietnam consists of marijuana and hashish.

Commissioner Ambrose said the real problem, as far as the military is concerned, is the traffic in illicit war trophies and stolen weapons. He said such traffic has increased during the Vietnam conflict. A study made in 1968 showed that almost 20 per cent of packages received at San Francisco were in violation of Customs' regulations. Of these 16.7 per cent involved stolen government property.

The Commissioner explained that military personnel who mail contraband are violating Federal statutes as well as military regulations. He said, "People who mail contraband are violating, first of all, postal regulations. Because the packages come from across the border, the general smuggling laws are also violated. If the item crosses state lines, the Treasury Department's tax regulations are violated. So there is no want of legal authority for prosecution in these cases."

Deputy Commissioner Rains said some war trophies can be brought back from Vietnam if permission is first received from the field commander. "But," he said, "many of the weapons seized by the Bureau are American and therefore stolen government property."

Commissioner Ambrose said all detected violations will be reported to military authorities for investigation. He said part of the problem is ignorance on the part of those who mail war souvenirs. He said the Bureau of Customs has "the complete cooperation of the Defense Department in this effort to deter the shipping of government property and dangerous war trophies."

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periods under continuing resolutions severely constrict even this amount of flexibility.

I know that the Members of this Committee and other Members of Congress are aware of these problems and are seeking ways to shorten the authorization-appropriation process or to lengthen the period for which authorizations and appropriations are granted. I hope that as we move into the decade of the 1970s, we can together devise better means for meeting our joint and separate responsibilities for more effective utilization of the Defense dollar.

As a final note, Mr. Chairman, let me restate to the Committee my conviction that, given the staggering challenges that confronted us one year ago, I believe we have made significant progress in attempting to meet them.

Vietnamization, SALT, and the development of a new national security strategy are concrete manifestations of major progress. The threats from abroad, though growing, continue to be contained for the present at less expense than in recent years, and a new, vigorous attack on our domestic problems has been set in motion.

Furthermore, we have established new machinery that promises to produce more rational decisions in foreign and national security policy, in urban and domestic affairs, and in restoring and maintaining a proper balance between defense and non-defense needs.

Given a sufficiently tranquil world, the Defense Department's objective in the 1970s concerning fiscal matters will be to keep defense spending at such a level that: (1) additional resources will become available for domestic programs; and (2) we will do our share in turning the tide against inflation. In doing this, we must and we will maintain sufficient strength to ensure our ability to deter aggression and meet our Defense needs.

I believe it is obvious that a new balance between defense and non-defense spending cannot be achieved in one year, or even in two. Transition to a new equilibrium will take time. We made a beginning in 1969 and are continuing the transition into Calendar Year 1970. We consider our Fiscal Year 1971 Budget another building block in that transition.

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